

U.S. Department of Justice

FY 2012 PERFORMANCE BUDGET
Congressional Submission

Office of the Inspector General



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I. Overview for Office of the Inspector General

1. Introduction

In FY 2012, the Office of the Inspector General (OIG) requests a total of \$85,057,000. The FTE listed in this budget reflect an FTE level developed using the authorized FTE level in FY 2010 and differ from the FTE listed in the FY 2012 President's Budget Appendix, which were developed using FY 2010 on-board levels. This request is an increase of \$689,000 (.8%) over the FY 2010 President's Budget. This request includes an adjustment-to-base of \$220,000 and a program increase of \$469,000.

With these resources, the OIG will be able to sustain the number of quality audits, inspections, investigations, and special reviews it conducts to help assure Congress and the taxpayers that the substantial funding provided to support these Department priorities and infrastructure investments are used efficiently, effectively, and for their intended purposes.

2. Background

The Office of the Inspector General (OIG) was statutorily established in the Department of Justice (Department) on April 14, 1989. The OIG is an independent entity within the Department that reports to both the Attorney General and Congress on issues that affect the Department's personnel or operations.

The OIG has jurisdiction over all complaints of misconduct against Department employees in the Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), Federal Bureau of Prisons (BOP), U.S. Marshals Service (USMS), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), U.S. Attorneys' Offices (USAO), Office of Justice Programs (OJP), and other Offices, Boards and Divisions. The OIG investigates alleged violations of criminal and civil law, regulations, and ethical standards arising from the conduct of Department employees in their numerous and diverse activities. The OIG also audits and inspects Department programs and assists management in promoting integrity, economy, efficiency, and efficacy. Appendix A contains a table that provides statistics on recent OIG activities discussed in this budget request. These statistics highlight the OIG's ongoing efforts to conduct wide-ranging oversight of Department of Justice (Department) programs and operations.

OIG Organization

The OIG consists of the Immediate Office of the Inspector General and the following five divisions and one office:

- Audit Division is responsible for independent audits of Department programs, computer systems, and financial statements. The Audit Division has regional offices in Atlanta, Chicago, Dallas, Denver, Philadelphia, San Francisco, and Washington, D.C. Its Financial Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, Office of Operations, Office of Policy and Planning, Advanced Audit Techniques Group, and Office of Research and Non-Federal Audits.

- Investigations Division is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures governing Department employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Fraud Detection Office is located in Washington, D.C. The Investigations Division has smaller, area offices in Atlanta, Boston, Detroit, El Paso, Houston, New Jersey, San Francisco, and Tucson. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and the following branches: Operations, Special Operations, Investigative Support, Research and Analysis, and Administrative Support.
- Evaluation and Inspections Division conducts program and management reviews that involve on-site inspection, statistical analysis, and other techniques to review Department programs and activities and makes recommendations for improvement.
- Oversight and Review Division blends the skills of attorneys, investigators, program analysts, and paralegals to review Department programs and investigate sensitive allegations involving Department employees and operations.
- Management and Planning Division provides advice to OIG senior leadership on administrative and fiscal policy and assists OIG components in the areas of budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, records management, quality assurance, internal controls, and general support.
- Office of the General Counsel provides legal advice to OIG management and staff. It also drafts memoranda on issues of law; prepares administrative subpoenas; represents the OIG in personnel, contractual, and legal matters; and responds to Freedom of Information Act requests.

The OIG currently has a nationwide workforce of approximately 440 special agents, auditors, inspectors, attorneys, and support staff.

3a. Notable FY 2010 Accomplishments

Counterterrorism. During FY 2010, several ongoing and recently completed OIG reviews focused on the Attorney General's stated priority of preventing terrorism and promoting the nation's security. In support of counterterrorism oversight, the OIG reviewed the Department's readiness to respond to an incident involving a weapon of mass destruction, and found that the Department was not ready in several critical aspects of response. The Department is now developing a new program and new guidance to improve readiness at both the Department and component levels.

The OIG is currently auditing the FBI's efforts to investigate national security cyber intrusion cases. We are assessing the FBI's efforts to implement the presidentially mandated National Cyber Investigative Joint Task Force, a multi-agency task force charged with cyber attacks that could have an impact on national security. We are also examining FBI field offices' capabilities to investigate national security cyber intrusion cases. In addition, the OIG is currently auditing the Justice Security Operations Center to determine its capabilities to identify, track, and respond to intrusion incidents and how it shares information within the Department and with the Department of Homeland Security's US-CERT.

Increase in Contract and Grant Fraud Investigations. In FY 2010, the OIG opened a total of 40 contract or grant fraud investigations, an almost 21 percent increase over FY 2009 levels.

Intelligence and Information Sharing. The OIG completed a review of the Department's Anti-Gang Intelligence and Coordination Centers (specifically, the FBI's National Gang Intelligence Center (NGIC) and the Criminal Division's National Gang Targeting, Enforcement, and Coordination Center (GangTECC)), which resulted in the Department's realignment of these centers with other intelligence centers to increase their coordination, efficiency, and support to law enforcement agencies. The OIG also completed a review of the DEA's El Paso Intelligence Center (EPIC), which resulted in changes in the way EPIC manages several of its key programs so that federal, state, local, and tribal law enforcement agencies get better analytical products. In addition, the OIG initiated an audit of the FBI's management of terrorist watchlist nominations and encounters with watchlist subjects. In FY 2011, the OIG plans to begin a review of other intelligence organizations within the Department.

Hiring Process for Bureau of Prisons (BOP). The OIG is conducting a review of the BOP's hiring process for correctional officers to determine whether the process adequately screens out candidates unsuitable for corrections work and who may be more likely to commit misconduct. The OIG is also conducting a review of the BOP's use of sentence reduction options as a method to reduce chronic prison overcrowding.

DOJ Systems Reviews

The OIG is currently conducting a follow-up audit of the Department's Integrated Wireless Network (IWN). In March 2007, the OIG reported that the \$5 billion project was at high risk for failure. IWN, as originally envisioned, would support over 81,000 federal agents when fully operational and would address federal law enforcement requirements to communicate across agencies, allow interoperability with state and local law enforcement partners, and meet mandates to use federal radio frequency spectrum more efficiently. Our objectives are to determine what actions have been taken on the issues identified in the prior report and to evaluate the cost, schedule, and implementation of the IWN program.

In addition, in August 2010, the OIG initiated an audit of the implementation of the Unified Financial Management System (UFMS) throughout the Department. The preliminary objectives of this audit are to review the cost, schedule, and performance of the project. Concurrent with this audit are reviews of UFMS conducted by the Office of Management and Budget (OMB) and the Government Accountability Office. We plan to coordinate our work with OMB and also contact other federal agencies that have implemented similar projects to get a perspective on their experiences and lessons learned.

Human Capital Initiatives. During FY 2010, the OIG participated in a number of human capital initiatives, including the federal Hiring Reform Initiative announced by the President and the Department's ongoing conversion to a new human resources automated services provider. The OIG will continue to contribute to the Hiring Reform Initiative as a Department component, while working to successfully convert the OIG to the new service provider and simultaneously continuing its efforts to fill the OIG's vacant positions with the best possible candidates.

3b. Support for the Department's Savings and Efficiencies Initiatives.

The OIG fully supports and participates in the Department's Savings and Efficiencies Initiatives, including:

Electronic Statements of Earnings and Leave (SEL). The OIG transitioned to electronic SELs for its entire workforce in FY 2009, saving approximately \$8,000 in paper and postage costs every year starting in FY 2010 .

On-line Travel Booking. The OIG has consistently ranked at or near the top in terms of on-line booking percentage by its travelers, exceeding DOJ performance targets for this initiative. Through the first quarter of FY 2011, the OIG used on-line booking for 83 percent of its official trips. The OIG is reviewing its listing of office usage and individual trips where on-line booking has not been fully implemented to determine if it can improve its on-line booking percentage and continue its strong performance for the rest of FY 2011.

Paper Consumption and Reduction. The OIG saved approximately \$12,200 in FY 2010 over its FY 2009 costs in reduced paper consumption through a combination of techniques, including utilizing double-sided printing, using less ink-intensive fonts whenever possible for printed documents, and saving documents as e-files rather than printing.

The OIG continues to encourage its personnel via newsletters and other means to incorporate best practices and take environmentally conscientious actions on a daily basis, by thinking "Do I really need a hardcopy of this?" before printing, and using the "Print Preview" feature to ensure efficient printing (e.g., use narrower margins, choose black-and-white printing, and end multi-page documents on even-numbered pages to avoid printing an extra page).

Increased Use of Video Conference. The OIG upgraded its video conferencing equipment in late 2009, and this investment, a proven cost-effective solution to reduce travel costs, paid dividends in FY 2010. The OIG realized FY 2010 savings of more than \$82,500 in direct travel savings (e.g. airfare, per diem, and lodging), as well as hundreds of hours of staff time saved by not having to travel outside the office, due to increased use of video conferences. The OIG expects to continue its increased use of video conferencing across the organization for the rest of FY 2011, as our offices become more familiar with the capabilities of video conferencing to communicate with other DOJ components, federal agencies, and private sector entities.

Power Management for Computers and Monitors. The OIG has established power management settings, at the server and desktop levels, for powering down and shutting off computers that meet or exceed Departmental requirements.

Consolidate Contracts. In 2009, the OIG consolidated its voice and data wireless contracts by moving to a single vendor who offered fixed pricing and "shared" voice minutes across the

organization for the OIG's 300-plus BlackBerry devices. This consolidation effort not only saved money, but it also made contract administration easier. The OIG consolidated its procurement of all desktop and laptop computer needs in FY 2010, thereby achieving standardization and garnering savings from volume discounts for the larger bulk purchases.

4. Challenges

Like other organizations, the OIG must confront a variety of internal and external challenges that affect its work and impede progress towards achievement of its goals. These include the decisions Department employees make while carrying out their numerous and diverse duties, which affects the number of allegations the OIG receives, Department support for the OIG's mission, and financial support from the Office of Management and Budget (OMB) and Congress.

The following are challenges that the OIG views as potential impediments to achieving its performance goals.

Management of Human Capital. The OIG's biggest internal challenge in FY 2012 will be in the area of human capital. In this regard, the OIG must use all available recruitment tools and hiring flexibilities in a competitive job market to attract – and keep – top talent. Maintaining an optimal, committed workforce is critical to the OIG's overall performance and ability to achieve desired results. The OIG's focus on ensuring that its employees have the appropriate analytical and technological skills for the OIG's complex mission will bolster its reputation as a premier federal workplace and improve retention and results. The length of time it takes to conduct more complex audits, investigations, and reviews is directly affected by the number of experienced personnel the OIG can devote to these activities.

Quality Control. Every 3 years the OIG's Audit Division is required by the Government Auditing Standards issued by the Comptroller General of the United States to undergo a quality control review by a separate external entity. In February 2010, the Department of Energy OIG completed its external quality control review of the OIG's Audit Division in accordance with Government Auditing Standards and guidelines established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Federal audit organizations receive a rating of pass, pass with deficiencies, or fail. The Department of Energy OIG issued a peer review rating of pass for our Audit Division, stating that the system of quality control for the OIG's Audit Division in effect for the year ended September 30, 2009, has been suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

Additionally, the U.S. Department of Health and Human Services (DHHS), the OIG, reviewed the system of internal safeguards and management procedures for the OIG Investigations Division, in accordance with the CIGIE, and with the Attorney General's Guidelines for Office of Inspectors General with Statutory Enforcement Authority. The DHHS OIG found that the system of internal safeguards and management procedures for the OIG Investigations Division in effect for FY 2009 was in full compliance with the quality standards established by CIGIE and by the Attorney General's guidelines.

Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/jmd/2012justification/>

II. Summary of Program Changes

Item Name	Description				Page
		Pos.	FTE	Dollars (\$000)	
Council of the Inspectors General on Integrity and Efficiency (CIGIE)	To support coordinated government-wide activities that identify and review areas of weakness and vulnerability in federal programs and operations with respect to fraud, waste, and abuse.	0	0	\$575	19
Administrative Efficiencies	Offsets achieved by decreasing supply and office furniture purchases.	0	0	(\$82)	20
Extend Tech Refresh	Offsets achieved by extending the refresh rate of all desktops and laptops by one year.	0	0	(\$24)	20
	Total			\$469	

III. Appropriations Language and Analysis of Appropriations Language

OFFICE OF THE INSPECTOR GENERAL Salaries and Expenses

For necessary expenses of the Office of the Inspector General, \$85,057,000, including not to exceed \$10,000 to meet unforeseen emergencies of a confidential character.

Note. – A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Analysis of Appropriations Language

No substantive changes proposed.

Note: The FY 2012 President's Budget uses the FY 2011 President's Budget language as a base so all language is presented as new.

IV. Decision Unit Justification

A. Audits, Inspections, Investigations, and Reviews

The OIG operates as a single decision unit encompassing audits, inspections, investigations, and reviews.

OIG	Perm. Pos.	FTE	Amount
2010 Enacted with Rescissions	495	474	\$84,368,000
2011 CR	495	474	\$84,368,000
Adjustments to Base and Technical Adjustments			
2012 Current Services	495	483	\$84,588,000
2012 Program Increases			\$575,000
2012 Program Decreases			(\$106,000)
2012 Request	495	483	\$85,057,000
Total Change 2011-2012			\$469,000

OIG Information Technology Breakout (of Decision Unit Total)	Perm. Pos.	FTE	Amount
2010 Enacted with Rescissions	11	11	\$5,057,000
2010 Supplemental			
2010 Enacted w/Rescissions and Supplementals	11	11	\$5,057,000
2011 CR	11	11	\$5,137,000
Adjustments to Base and Technical Adjustments			
2012 Current Services	11	11	\$5,231,000
2012 Request	11	11	\$5,231,000
Total Change 2011-2012			\$94,000

The OIG has no IT investment requests for FY 2012.

1. Program Description

The OIG operates as a single decision unit encompassing audits, inspections, investigations, and reviews.

2. Performance and Resource Tables

PERFORMANCE AND RESOURCES TABLE (Goal 1)										
Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews										
DOJ Strategic Plan: Supporting the Mission: Efficiency and Integrity in the Department of Justice.										
OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.										
WORKLOAD/RESOURCES	Final Target		Actual		Projected		Changes		Requested (Total)	
	FY 2010		FY 2010		FY 2011 Enacted		Current Services Adjustment and FY 2012 Program Changes		FY 2012 Request	
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)	497	\$84,368	497	\$84,368	497	\$84,368	0	\$689	506	\$85,057
		[\$17,417]		[\$17,417]		[\$17,919]		[\$1,446]		[\$18,863]
Performance Report and Performance Plan										
Number of Cases Opened per 1,000 DOJ employees:										
Fraud	**		0.5	**	**		**		**	**
Bribery	**		0.24	**	**		**		**	**
Rights Violations	**		0.11	**	**		**		**	**
Sexual Crimes	**		0.29	**	**		**		**	**
Official Misconduct	**		1.05	**	**		**		**	**
Theft	**		0.17	**	**		**		**	**
Workload										
Investigations closed		350		300		300				300
Integrity Briefings/Presentations to DOJ employees		140		91		100		...		100
DOJ employees at Integrity Briefings		4,200		4,527		4,000		...		4,000

PERFORMANCE AND RESOURCES TABLE (Goal 1)

Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews

DOJ Strategic Plan: Supporting the Mission: Efficiency and Integrity in the Department of Justice.

OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.

WORKLOAD/RESOURCES	Final Target		Actual		Projected		Changes		Requested (Total)	
	FY 2010		FY 2010		FY 2011 Enacted		Current Services Adjustment and FY 2012 Program Changes		FY 2012 Request	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
Total Costs and FTE (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)	497	\$84,368 [\$17,417]	497	\$84,368 [\$17,417]	497	\$84,368 [\$17,919]	0	\$689 [\$1,446]	506	\$85,057 [\$18,863]
Performance Report and Performance Plan										
Intermediate Outcome										
Percentage of Investigations closed or referred for prosecution within 1 year		75%		95%		75%		0%		75%
Number of closed Investigations substantiated **		**		180		**		**		**
Arrests **		**		114		**		**		**
End Outcome										
Convictions **		**		105		**		**		**
Administrative Actions **		**		207		**		**		**
Response to Customer Surveys:										
Report completed in a timely manner (%)		90%		100%		90%		0%		90%
Issues were sufficiently addressed (%)		90%		100%		90%		0%		90%

PERFORMANCE AND RESOURCES TABLE (Goal 1)

DOJ Strategic Plan: Supporting the Mission: Efficiency and Integrity in the Department of Justice.

OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.

Data Definition, Validation, Verification, and Limitations

A. Data Definition:

The OIG does not project targets and only report actuals for workload measures, the number of closed investigations substantiated, arrests, convictions, and administrative actions. The number of convictions and administrative actions are not subsets of the number of closed investigations substantiated.

B. Data Sources, Validation, Verification, and Limitations:

Investigations Data Management System (IDMS) – consists of a computer-based relational database system that became operational at the end of June 2005. We upgraded the system to a newer release which provides additional functionality. Most of the legacy data from the old IDMS was converted, except for records older than FY 1993, which were archived. We developed new reports to run against the database and verified the accuracy of the conversion. We ran the new reports against historical data and also compared them with historical reports and validated the results. The database administrator runs routine maintenance programs against the database. Database maintenance plans are in place to examine the internal physical structure of the database, backup the database and transaction logs, handle index tuning, manage database alerts, and repair the database if necessary. Currently, the general database backup is scheduled nightly and the transaction log is backed up in 3 hour intervals. We are continuing the process of reducing duplicate person records and incorporating methods to prevent the uploading of additional duplicate person records.

Investigations Division Report of Investigation (ROI) Tracking System - a web-based SQL-Server database was launched in June 2007 to track all aspects of the ROI lifecycle. The ROI and Abbreviated Report of Investigation (AROI) are the culmination of OIG investigations and are submitted to DOJ components. These reports are typically drafted by an agent and go through reviews at the Field Office and at Headquarters levels before final approval by Headquarters. The new ROI Tracking System is integrated with IDMS. By providing up-to-the-minute ROI status information, the Tracking System is expected to be a key tool in improving the timeliness of the Division's reports. The Tracking System also incorporates numerous pre-formatted statistical reports to provide agents and their managers with important performance information.

Investigations Division Monthly Investigative Activity Report – Most of the data for this report were designed into the IDMS application, except for integrity briefing activities and the use of certain investigative techniques. A new tab has been designed to collect the data for this report. Data for integrity briefings can be captured in the time entry notebook.

Investigations Division Administrative Database - an Access database was launched in August 2005 to track the administration of customer satisfaction questionnaires sent with each completed investigative report to components. The database captures descriptive survey information as well as questionnaire responses. Descriptive information includes the questionnaire form administered, distribution and receipt dates, and component and responding official. The database captures responses to several open-ended questions seeking more information on deficiencies noted by respondents and whether a case was referred for administrative action and its outcome. Questionnaire responses are returned to Investigations Headquarters and are manually entered into the database by Headquarters personnel. No data validation tools, such as double key entry, are used though responses are entered through a front-end Access Form in an effort to ease input and reduce errors.

C. FY 2010 Performance Report:

For the workload measure, "Investigations Closed" the OIG has increased focus on more complex and document-intensive cases (e.g., grant and contract fraud) that require more in-depth financial and forensic analysis. The OIG is also diversifying its caseload to extend more investigative coverage to other Department components.

PERFORMANCE MEASURE TABLE (Goal 1)

Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews

DOJ Strategic Plan: Supporting the Mission: Efficiency and Integrity in the Department of Justice.

OIG General Goal #1: Detect and deter misconduct in programs and operations within or financed by the Department.

Performance Report	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010		FY 2011	FY 2012
	Actual	Actual	Actual	Actual	Actual	Target	Actuals	Target	Target
Workload									
Number of Cases Opened per 1,000 DOJ employees:									
Fraud	0.52	0.42	0.37	0.45	0.50	**	0.5	**	**
Bribery	0.58	0.61	0.71	0.36	0.30	**	0.24	**	**
Rights Violations	0.31	0.27	0.13	0.16	0.15	**	0.11	**	**
Sexual Crimes	0.41	0.32	0.35	0.40	0.21	**	0.29	**	**
Official Misconduct	1.03	1.27	1.53	1.27	1.28	**	1.05	**	**
Theft	0.18	0.20	0.26	0.21	0.25	**	0.17	**	**
Workload									
Investigations closed	415	441	400	355	367	350	300	352	352
Integrity Briefings and Presentations to DOJ employees	235	202	296	248	346	150	91	140	140
DOJ employees attending Integrity Briefings	11,239	9,308	11,269	8,342	7,545	4,200	4,527	4,200	4,200
Intermediate Outcome									
Percentage of Investigations closed or referred for prosecution within 1 (QSR Measure)	66%	69%	90%	78%	93%	75%	95%	75%	75%
Number of closed Investigations substantiated (QSR Measure)	180	239	227	220	218	**	180	**	**
Arrests	69	134	107	115	111	**	114	**	**
End Outcome									
Convictions	66	112	105	121	104	**	105	**	**
Administrative Actions	154	175	239	231	211	**	207	**	**
Response to Customer Surveys:									
Report completed in a timely manner (%)	94%	97%	99%	98%	100%	90%	100%	90%	90%
Issues were sufficiently addressed (%)	91%	99%	99%	99%	100%	90%	100%	90%	90%

** Indicators for which the OIG only reports actuals.

PERFORMANCE AND RESOURCES TABLE (Goal 2)

Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews

DOJ Strategic Plan: Supporting the Mission: Efficiency and Integrity in the Department of Justice.

OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.

WORKLOAD/RESOURCES	Final Target		Actual		Projected		Changes		Requested (Total)	
	FY 2010		FY 2010		FY 2011 Enacted		Current Services Adjustment and FY 2012 Program Changes		FY 2012 Request	
Total Costs and FTE	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)	497	\$84,368 [\$17,417]	497	\$84,368 [\$17,417]	497	\$84,368 [\$17,919]	0	\$689 [\$1,446]	506	\$85,057 [\$18,863]
Performance Report and Performance Plan										
Workload										
Audit and E&I assignments initiated		163		142		132		1		133
Percent of Audit CSITAO resources devoted to security reviews of major Dept. information systems		75%		82%		75%		0%		75%
Percent of internal audit assignments that assess component performance measures		18%		20%		18%		0%		18%
Percent of Audit and E&I direct resources devoted to internal reviews of Top Ten Mgt. Challenges and GAO and JMD-identified High-Risk Areas		95%		89%		75%		20%		95%
Intermediate Outcome										
Audit and E&I assignments completed		164		128		120		1		121

PERFORMANCE AND RESOURCES TABLE (Goal 2)

Decision Unit: OIG/Audits, Inspections, Investigations, and Reviews

DOJ Strategic Plan: Supporting the Mission: Efficiency and Integrity in the Department of Justice.

OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.

<u>WORKLOAD/RESOURCES</u>	Final Target		Actual		Projected		Changes		Requested (Total)	
	FY 2010		FY 2010		FY 2011 Enacted		Current Services Adjustment and FY 2012 Program Changes		FY 2012 Request	
Total Costs and FTE	<u>FTE</u>	<u>\$000</u>	<u>FTE</u>	<u>\$000</u>	<u>FTE</u>	<u>\$000</u>	<u>FTE</u>	<u>\$000</u>	<u>FTE</u>	<u>\$000</u>
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)	497	\$84,368	497	\$84,368	497	\$84,368	0	\$689	506	\$85,057
		[\$17,417]		[\$17,417]		[\$17,919]		[\$1,446]		[\$18,863]
Performance Report and Performance Plan										
Intermediate Outcome										
Percent of Audit resources devoted to reviews of grants and grant management		45%		49%		40%		0%		40%
Components receiving information system audits		8		7		8		0		8
Products issued to the Dept. containing significant findings or information for management decision-making by Audit & E&I		125		107		104		0		104
Products issued to Congress by Audit and E&I		67		49		50		0		50
Percent of E&I assignments completed within the timeframes established by the IG.		60%		40%		60%		0%		60%
Percent of contract, grant, IGA, and other external audits to be completed in draft within 5 months		64%		64%		64%		0%		64%
Percent of internal audits to be completed within 1 year		70%		60%		60%		0%		60%

PERFORMANCE AND RESOURCES TABLE (Goal 2)

DOJ Strategic Plan: Supporting the Mission: Efficiency and Integrity in the Department of Justice.

OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.

Data Definition, Validation, Verification, and Limitations

A. Data Definition:

"Assignment" covers all audits (including internals, CFO, and Externals, but **not** Single Act Audits), evaluations, and inspections. "Assignments" may also include activities that do not result in a report or product (e.g., a memorandum to file rather than a report).

B. Data Sources, Validation, Verification, and Limitations:

The Audit Division Administrative Management (ADAM) System -- collects information that the regional Audit offices provide to headquarters on the status of assignments and the number of workdays expended monthly. This information is reviewed for accuracy, consolidated, and analyzed to determine trends and provide senior management with information on the status of the Audit Division's workplan and the use of Audit Division resources. ADAM is an integrated database that is regularly adjusted based on management decisions.

Evaluation and Inspections Division Management Tracking System -- tracks all assignments by project number and report number, starting with the initiation date and continuing through the closing date and resolution process and the archiving of work products. The Management Tracking System also includes employee workhours, by job, and semiannual report synopses. The system provides senior management with the data to respond to information requests and to track and report on work activities.

Evaluation and Inspections Division Documentation on File -- consists of hard copies of public and non-publicly disseminated correspondence. Because the material is not captured in E&I's management tracking system, a review and count of the documentation on file is the best way to track these indicators.

C. FY 2010 Performance Report: N/A

PERFORMANCE MEASURE TABLE (Goal 2)

Decision Unit/Program: OIG/Audits, Inspections, Investigations, and Reviews

DOJ Strategic Plan: Supporting the Mission: Efficiency and Integrity in the Department of Justice.

OIG General Goal #2: Promote the efficiency and effectiveness of Department programs and operations.

Performance Report	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010		FY 2011	FY 2012
	Actual	Actual	Actual	Actual	Actual	Target	Actuals	Target	Target
Workload									
Audit and E&I assignments initiated	118	118	134	142	159	163	142	132	133
Percent of E&I workdays devoted to follow-up reviews	N/A								
Percent of Audit CSITAO resources devoted to security reviews of major Dept. information systems	100%	86%	86%	86%	75%	75%	82%	75%	75%
Percent of internal audit assignments that assess component performance measures	10%	11%	10%	10%	18%	18%	20%	18%	18%
Percent of Audit and E&I direct resources devoted to internal reviews of Top Ten Mgt. Challenges and GAO and JMD-identified High-Risk Areas	92%	85%	78%	78%	94%	95%	89%	75%	75%
Intermediate Outcome									
Audit and E&I Assignments completed	139	114	133	126	155	164	128	120	121
Percent of Audit resources devoted to reviews of grants and grant management	33%	28%	25%	30%	47%	45%	49%	40%	40%
Components receiving information system audits	6	4	5	4	6	8	7	8	8
Products issued to the Dept. containing significant findings or information for mngt decision-making by Audit and E&I	122	97	102	99	116	125	107	104	104
Products issued to Congress by Audit and E&I	51	46	45	48	47	67	49	50	50
Percent of E&I assignments to be completed within 6 months	78%	64%	70%	70%	17%	60%	40%	60%	60%
Percent of contract, grant, IGA, and other external audits to be completed within 5 months	68%	51%	60%	66%	60%	64%	64%	64%	64%
Percent of internal audits to be completed within 1 year	59%	68%	60%	66%	66%	70%	60%	60%	60%

3. Performance, Resources, and Strategies

a. Performance Plan and Report for Outcomes

As illustrated in the preceding Performance and Resources Tables, the OIG helps the Department achieve its strategic goals through conduct of its audits and its special reviews. Specifically, the OIG contributes to promoting the efficiency and integrity in the Department's programs and its operations. For the Department's programs and activities to be effective, Department personnel, contractors, and grantees must conduct themselves in accordance with the highest standards of integrity, accountability, and efficiency. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of the Department's employees in their numerous and diverse activities. In addition, the OIG assists management in promoting integrity, economy, efficiency, and effectiveness within the Department and in its financial, contractual, and grant relationships with others using the coordinated efforts of the OIG's investigative, audit, inspection, and special review resources.

The OIG continues to review its performance measures and targets, especially in light of the changing nature of the cases it investigates and the nature of the Department programs it reviews. Today's work is much more complex and expansive than it was only a few years ago. The number of documents to be reviewed, the number of people to interview, the amount of data to examine, and the analytical work involved in many OIG reviews are significantly greater than in prior years. This is especially true for reviews of sensitive Department programs such as the review of the Department's role in the President's Surveillance Program, as well as cross-cutting work that covers multiple components, such as the OIG's reviews of components use of less than lethal weapons, disciplinary programs, or litigation case management systems. These multi-component reviews can be particularly valuable in identifying "best practices" within the Department and ensuring consistency across component programs.

b. Strategies to Accomplish Outcomes

The OIG will devote all resources necessary to investigate allegations of bribery, fraud, abuse, civil rights violations, and violations of other laws and procedures that govern Department employees, contractors, and grantees, and will develop cases for criminal prosecution and civil and administrative action. The OIG will use its audit, inspection, and attorney resources to review Department programs or activities identified as high-priority areas in the Department's strategic plan and devote resources to review the Department's Top Management and Performance Challenges.

For example, the Audit Division's overall workload increased as a result of the personnel enhancements received in FY 2010. Additionally, the Audit Division increased work in the areas for which the enhancements were provided. From FY 2009 to FY 2010 the counterterrorism workload increased by 24 percent and the grant oversight workload increased by 20 percent.

Appendix B contains examples of recently completed and ongoing OIG audits and reviews, and examples of recent OIG investigations of Department employees, contractors, and grantees.

V. Program Increases by Item

A. Item Name: Funding for Council of Inspectors General on Integrity and Efficiency (CIGIE) Operations

Budget Decision Unit(s): Audits, Inspections, Investigations, and Reviews
 Strategic Goal(s) & Objective(s): Supporting the Mission: Efficiency and Integrity
 In the Department of Justice
 Organizational Program: OIG

Program Increase: Positions +0 Agt/Atty +0/+0 FTE +0 Dollars +\$575,000

Description of Item

The OIG is requesting \$575,000¹ to fund its support of the governmentwide efforts of the Council of Inspectors General on Integrity and Efficiency (CIGIE).

Justification

In previous fiscal years, the OIG's contribution to funding CIGIE activities has come directly out of its base resources, thus reducing its operations funding for audits, investigations, inspections, and reviews. With this much-needed program increase, the OIG can restore this base funding and focus these direct resources to initiate further actions that save taxpayers' dollars and cut waste.

Funding (Dollars in Thousands)

The OIG operates as a single decision unit encompassing audits, inspections, investigations, and reviews. By the nature of its mission, the OIG must be able to move its resources and funding freely across all functions to address new priorities. Therefore, base funding for the OIG is only meaningful at the single decision unit level.

Total Request for this Item

	Pos	Agt/Atty	FTE	Personnel	Non- Personnel	Total
Increases	0	0/0	0	0	\$575	\$575
Grand Total	0	0/0	0	0	\$575	\$575

¹ The actual CIGIE program request for the Office of the Inspector General is \$455,000. However, because this information was not clarified for the Department until late in the process, it is not reflected here.

VI. Program Offsets

A. Item Name: **Administrative Efficiencies**

Budget Decision Unit(s): Audits, Inspections, Investigations, and Reviews
Strategic Goal(s) & Objective(s): Enabling/Administrative
Organizational Program: OIG

Component Ranking of Item: 1 of 2

Program Offset: Positions (0) FTE (0) Dollars (\$82,000)

Description of Item

The Department is continually evaluating its programs and operations with the goal of achieving across-the-board economies of scale that result in increased efficiencies and cost savings. In FY 2012, the Department is focusing on administrative areas in which savings can be achieved. For the OIG, decreasing supply and office furniture purchases will result in offsets of \$82,000.

B. Item Name: **Extend Tech Refresh**

Budget Decision Unit(s): Audits, Inspections, Investigations, and Reviews
Strategic Goal(s) & Objective(s): Enabling/Administrative
Organizational Program: OIG

Component Ranking of Item: 2 of 2

Program Offset: Positions (0) FTE (0) Dollars (\$24,000)

Description of Item

As desktops and laptops are used primarily for basic office automation applications (e.g., spreadsheets and word processing), replacing this inventory at a slower rate is expected to have minimal impact on the Department operations. In FY 2012, the Department is proposing to extend the refresh rate of all desktops and laptops by one year. For the OIG, this tech refresh extension will result in offsets of \$24,000.

APPENDIX A
OIG STATISTICAL HIGHLIGHTS

Statistical Highlights

April 1, 2010 – September, 2010

The following table summarizes Office of the Inspector General (OIG) activities discussed in our most recent *Semiannual Report to Congress*. As these statistics and the following highlights illustrate, the OIG continues to conduct wide-ranging oversight of Department of Justice (Department) programs and operations.

Allegations Received by the Investigations Division	5,976
Investigations Opened	152
Investigations Closed	185
Arrests	62
Indictments/Informations	66
Convictions/Pleas	54
Administrative Actions	109
Fines/Restitutions/ Assessments/Recoveries	\$572,417
Audit Reports Issued	52
Questioned Costs	\$20,329,178
Recommendations for Management Improvements	301
<i>Single Audit Act</i> Reports Issued	64
Questioned Costs	\$1,372,799
Recommendations for Management Improvements	152

APPENDIX B

RECENTLY COMPLETED AND ONGOING OIG REVIEWS

Following are examples of recent Office of the Inspector General Audits and Reviews:

DEPARTMENT-WIDE AND MULTI-COMPONENT REVIEWS

- ◆ The reviews under this heading involve Department-wide or multi-component issues.

REPORTS ISSUED

[The Department's Preparation to Respond to Weapons of Mass Destruction \(WMD\) Incident, May 2010](#)

The OIG examined the readiness of the Department and its components to respond to a potential WMD incident. We also examined the readiness of Department field offices to respond in a coordinated way to a WMD incident in the greater Washington area. Our review found that the FBI had taken appropriate steps to prepare to respond to a potential WMD attack, but the Department as a whole and its other components had not implemented adequate WMD response plans. In response to our report, the Department assigned to the Associate Deputy Attorney General for National Security the responsibility for coordinating all Department policies associated with continuity of operations, continuity of government, and emergency response at the scene of an incident. The Department also established a committee to develop policy, training, and strategies to ensure that the Department is prepared to respond to a WMD event.

Coordination of Explosives Investigations between the FBI and ATF, October 2009

The OIG examined the coordination of explosives investigations between the FBI and ATF and found that jurisdictional disputes regarding which agency is the lead agency for federal explosives investigations continued to occur. We also found that Department leadership had not clearly defined the jurisdiction between the agencies in explosives incidents and did not implement a formal procedure for the Department to resolve jurisdictional disputes. In addition, we found overlap between the two agencies in their explosives training programs and laboratory resources. As a result of our review, the Department convened working groups to resolve these issues and to respond to our recommendations.

Protection of the Federal Judiciary and Federal Prosecutors, December 2009

Our review of the protection of the federal judiciary and employees of U.S. Attorneys' Offices (USAO) identified deficiencies in the U.S. Marshals Service's (USMS) and the Executive Office for United States Attorneys' (EOUSA) response to threats to the federal judiciary and USAO employees. We found that judges, U.S. Attorneys, and Assistant U.S. Attorneys (AUSA) do not consistently and promptly report threats, and that, when threats are reported, the USMS does not consistently perform or document risk assessments or effectively coordinate with other law enforcement agencies in threat response. In addition, our review determined that EOUSA and the USAOs have not implemented adequate measures to protect USAO personnel against threats. We made 14 recommendations to improve the protection of the judiciary and federal prosecutors, and the USMS and EOUSA agreed to implement those recommendations.

The Department's Anti-Gang Intelligence and Coordination Centers, November 2009

Our review concluded that these two gang intelligence and coordination centers did not significantly improve the coordination and execution of the Department's anti-gang initiatives. Administered by the FBI, the National Gang Intelligence Center (NGIC) is a multi-agency center that develops and shares gang-related information. However, NGIC has not established a centralized gang information database as directed by statute due to technological limitations and operational problems, and has not shared gang intelligence and information effectively with other law enforcement organizations. The National Gang Targeting, Enforcement, and Coordination Center (GangTECC), administered by the Criminal Division, is a coordination center for multi-jurisdictional gang investigations. We found that the lack of an operating budget prevents it from providing essential coordination and outreach. We recommended that the Department ensure that their activities are better integrated.

Staff Sexual Abuse of Inmates, September 2009

Our review of the Department's efforts to prevent staff sexual abuse of inmates in federal prisons found that allegations of criminal sexual abuse and non-criminal sexual misconduct at BOP institutions more than doubled from FY 2001 through FY 2008. Our review also found that deterrence and detection of staff sexual abuse are hampered by the practice at some prisons of automatically isolating, segregating, or transferring victims, measures that inmates often regard as punitive. We also concluded the BOP needs to improve staff training, inmate education, and program oversight. In addition, some prosecutors expressed a general reluctance to prosecute certain staff sexual abuse cases, and we concluded that training federal prosecutors on the detrimental impact of staff sexual abuse on inmates, other prison staff, and prison security would improve the Department's effectiveness in prosecuting these cases.

The Department's Involvement with the President's Surveillance Program, July 2010

The OIG examined the Department's efforts regarding the President's Surveillance Program (PSP), a program in which the President authorized the National Security Agency (NSA) to engage in several different intelligence activities. Certain activities under the PSP were sometimes referred to as the Terrorist Surveillance Program. The *Foreign Intelligence Surveillance Act of 1978 Amendments Act of 2008* required the Department OIG, as well as OIGs from four other intelligence community agencies, to conduct a comprehensive review of the program. The five OIGs issued separate classified reports, and we coordinated the drafting of an unclassified summary of the results of these reviews. Our review found that the Department inappropriately relied on a single Department attorney to conduct the initial legal assessment of the PSP, and that the lack of oversight and review of the single attorney's work contributed to a legal analysis of the PSP that at a minimum was factually flawed. The OIG also concluded that some public statements by former Attorney General Alberto Gonzales about the PSP at two separate congressional hearings were confusing, inaccurate, and, while not intentionally misleading, had the effect of misleading those who were not knowledgeable about the PSP.

ONGOING WORK

FBI and National Security Division Efforts to Combat Terrorist Financing

The FBI and the Department's National Security Division share responsibility for identifying, investigating, and prosecuting persons who provide financial support to terrorist organizations. The OIG is examining whether the FBI and the National Security Division are appropriately handling and coordinating these responsibilities.

The Department's Use of Material Witness Warrants

The OIG is reviewing the Department's use of material witness warrants. The review is examining trends in the Department's use of material witness warrants over time, controls over their use, and the Department's treatment of material witnesses in national security cases, including issues such as length of detention, conditions of confinement, and access to counsel. Pursuant to the OIG's responsibility under Section 1001 of the USA PATRIOT Act, the review is also addressing allegations of civil rights and civil liberties abuses in the Department's post-9/11 use of the statute in the national security context.

Integrated Wireless Network

The OIG is conducting a review of the Department's Integrated Wireless Network program, which is a joint effort of the Department, Department of Homeland Security, and the Department of the Treasury to provide a secure, interoperable nationwide wireless communications network.

Electronic Intergovernmental Agreement System

The OIG is evaluating the operation of the Electronic Intergovernmental Agreement system, which is used by the Office of the Federal Detention Trustee and the USMS to determine compensation for state and local detention facilities who house federal detainees.

Justice Security Operations Center

The OIG is reviewing the Justice Security Operations Center, which helps protect the Department's information technology infrastructure and sensitive data from cyber attacks. Our audit is evaluating the center's capabilities regarding intrusion incidents and assessing its coordination and information-sharing with other Department and federal agencies.

FBI and DEA Aviation Operations

The OIG is examining the management of the FBI and DEA aviation operations.

The Department's International Prisoner Treaty Transfer Program

The OIG is reviewing the Department's role in the repatriation of non-citizens incarcerated in federal prisons through the international prisoner treaty transfer process. The review is assessing the Department's process to approve or deny inmates' requests to serve their sentences in the foreign countries in which they are citizens.

Investigations of Misconduct

The OIG conducts numerous investigations into allegation of criminal and administrative misconduct involving Department employees, contractors, and grant recipients. The following are examples of recent OIG investigations of Department employees:

- An OIG investigation led to the April 2008 guilty plea of Robert E. Coughlin II, former Deputy Chief of Staff for the Criminal Division, in the District of Columbia. Coughlin pled guilty to charges of conflict of interest in connection with assistance he provided to Kevin Ring, a former lobbyist and associate of Jack Abramoff, and to their law and lobbying firm in matters that were before the Department. The investigation found that Coughlin provided assistance to Ring in his lobbying at DOJ, and Coughlin received in return things of value from Ring, including sports and concert tickets, restaurant meals, and a golf outing. In

November 2009, Coughlin was sentenced to 30 days in a halfway house, 3 years supervised release, 200 hours of community service, and a \$2,000 fine.

- A related OIG investigation, conducted in coordination with the FBI and the Criminal Division, led to the November 2010 conviction at trial of Ring on five felony counts: one count of conspiring with Abramoff and others to corrupt Coughlin and other public officials; one count of paying an illegal gratuity to Coughlin; and three counts of engaging in a scheme to deprive the public of their right to the honest services of Coughlin and other public officials. Ring is scheduled to be sentenced on March 1, 2011.
- The former executive director of the Rape and Victim Assistance Center in Schuylkill, Pennsylvania was arrested in the Middle District of Pennsylvania pursuant to an indictment charging her with embezzlement of DOJ grant funds that were intended to be used for support of alleged victims of crimes against women. An investigation by the OIG found that the director embezzled and used for her own personal use over \$100,000 from two grants awarded by the Office of Justice Programs, Office of Victims of Crimes and Office of Violence Against Women. The director was dismissed from her position as executive director in December 2008, and judicial proceedings continue.

FEDERAL BUREAU OF INVESTIGATION (FBI)

- ◆ The reviews discussed in this section involve the FBI and its employees, which serve as the principal investigative arm of the Department.

REPORTS ISSUED

Status of the FBI's Implementation of the Sentinel Project, October 2010

This OIG review was the seventh in a series of reviews the OIG has conducted to examine the FBI's progress in developing and implementing Sentinel, its new information and investigative case management system. This review found that as of August 2010 the Sentinel project was approximately 2 years behind schedule and \$100 million over budget. The report also discusses several significant additional issues with Sentinel's development that can affect the full and successful implementation of Sentinel. When the FBI awarded a contract to Lockheed Martin in March 2006 to develop Sentinel, the FBI estimated that it would cost a total of \$425 million and be completed by December 2009. However, Sentinel is at least 2 years behind schedule and at least \$100 million over budget, and we believe that the most challenging development work for Sentinel still remains. The FBI recently announced a new plan for completing Sentinel in which the FBI will employ a new "agile methodology" and assume direct management of Sentinel development, reducing the role of Lockheed Martin as the prime contractor. Our initial consideration of the plan raises significant concerns and questions about the FBI's approach, including concerns relating to the cost, schedule, and amount of work to complete Sentinel. The OIG is also concerned that budget and schedule constraints might reduce the functionality ultimately delivered to the FBI's agents and analysts. However, we will continue to monitor the progress of Sentinel.

The FBI's Investigations of Certain Domestic Advocacy Groups, September 2010

This OIG review examined FBI investigations related to certain domestic advocacy groups and individuals, including: (1) the Thomas Merton Center (a “peace and social justice center” in Pittsburgh); (2) People for the Ethical Treatment of Animals (PETA); (3) Greenpeace USA; (4) The Catholic Worker (a pacifist organization with numerous local chapters); and (5) Glen Milner, an individual described as a Quaker peace activist. The OIG review did not find that the FBI targeted any of the groups for investigation on the basis of their First Amendment activities. However, the OIG concluded that the factual basis for opening some of the investigations of individuals associated with the groups was factually weak. In some cases, the FBI extended the duration of investigations involving advocacy groups or their members without adequate basis, and in a few instances the FBI improperly retained information about the groups in its files. The FBI also classified some investigations related to nonviolent civil disobedience under its “Acts of Terrorism” classification, which resulted in the watchlisting of subjects during the investigation. We made five recommendations to help ensure that if the FBI investigates groups or individuals in connection with their exercise of First Amendment rights, it does so in strict compliance with Attorney General Guidelines. The FBI agreed with our recommendations.

Allegations of Cheating on the FBI's Domestic Investigation and Operations Guide Exam, September 2010

The OIG examined allegations that some FBI employees cheated when taking a mandatory exam designed to test their knowledge of the FBI's “Domestic Investigations and Operations Guide” (DIOG). The DIOG, which describes the procedures FBI employees must follow when conducting domestic investigations, took effect in 2008. In our limited investigation of the cheating allegations, we found that a significant number of FBI employees had engaged in some form of cheating or improper conduct on the DIOG exam, some in clear violation of FBI directives regarding the exam. Some FBI employees consulted with others while taking the exam when that was specifically forbidden by the test-taking protocols. Others used or distributed answer sheets or study guides that essentially provided the answers to the test. A few exploited a programming flaw to reveal the answers to the exams. Almost all of those who cheated falsely certified on the final question of the exam that they had not consulted with others. We recommended that the FBI take action regarding those who cheated on the DIOG exam, consider other appropriate steps to determine whether other test takers engaged in similar inappropriate conduct, and conduct a new exam on the DIOG. The FBI is now in the process of considering appropriate action in response to the report.

The FBI's Laboratory's Forensic DNA Case Backlog, August 2010

This OIG report found that the FBI Laboratory's backlog of forensic DNA cases is large and growing. This backlog and delay in receiving results can delay legal proceedings that are waiting on the results of forensic DNA analysis, prevent the timely capture of criminals, prolong the incarceration of innocent people who could be exonerated by DNA evidence, and adversely affect families of missing persons waiting for positive identification of remains. The report noted that the FBI is pursuing various strategies to reduce the forensic DNA case backlog and minimize workflow bottlenecks, such as implementing a laboratory information management system, strategic management of cases, and human resource initiatives. We made five recommendations to help improve the FBI Laboratory's DNA case backlog, and the FBI concurred with all of these recommendations.

The FBI's Use of Exigent Letters and Other Informal Requests for Telephone Records, January 2010

The OIG examined the extent of the FBI's use of exigent letters and other informal requests to obtain telephone records without legal process. We found widespread use of exigent letters and other informal requests for telephone records. Contrary to the statements in the letters, many of the investigations for which the letters were used did not involve exigent circumstances and subpoenas had not been sought for the records. In addition, we found widespread use of other, even more informal requests for telephone records in lieu of appropriate legal process or a qualifying emergency. Our review also found that the FBI's initial attempts at corrective action were seriously deficient, ill-conceived, and poorly executed. Our report also described other troubling practices regarding requests, including improper requests for reporters' telephone records, inaccurate statements made by the FBI to the Foreign Intelligence Surveillance Act (FISA) Court, improper use of administrative subpoenas, and serious lapses in training, supervision, and oversight. Our report assesses the accountability of FBI employees for these improper practices. The FBI agreed to implement the 13 recommendations made in our report.

The FBI's Foreign Language Translation Program, October 2009

The OIG examined the FBI's Foreign Language Translation Program, focusing on the FBI's progress in improving its ability to translate and review material it collects. Similar to previous audits in 2004 and 2005, this audit found significant amounts of material collected for counterterrorism, counterintelligence, and criminal investigations have not been reviewed. While the FBI had made some improvements, such as in its quality control of translations, the FBI continued to not meet its goals for hiring linguists proficient in critical languages.

The FBI's Terrorist Watchlist Nomination Process, May 2009,

Our audit of the FBI's practices for nominating known or suspected terrorists to the consolidated terrorist watchlist determined that the FBI failed to nominate many subjects to the watchlist, did not nominate many others in a timely fashion, and did not update or remove certain watchlist records as required. In addition, the FBI failed to modify the nomination records to include identifying information it obtained after the initial nomination was processed. In response to our audit, the FBI has begun taking corrective actions, such as providing training to counterterrorism case agents and establishing dedicated watchlist coordinator positions in FBI field offices.

ONGOING WORK

The FBI's Implementation of the Sentinel Project

The OIG is continuing to evaluate the FBI's ongoing development and implementation of the Sentinel information technology project, which is intended to upgrade the FBI's electronic case management system and provide the FBI with an automated workflow process.

The FBI's Management of Terrorist Watchlist Nominations and Encounters with Watchlisted Subjects

The OIG is examining changes to the FBI's watchlist nominations process that is intended to ensure the accuracy, timeliness, and completeness of the FBI's watchlisting practices.

The FBI's Efforts to Combat National Security Cyber Threats

The OIG is examining the FBI's efforts to combat cyber intrusions that threaten national security. The review assesses the development and operation of the National Cyber Investigative Joint Task Force, as well as the capabilities of FBI field offices to investigate national security cyber cases.

The FBI's Integrity and Compliance Program

The OIG is reviewing the FBI's Integrity and Compliance Program, which was established following a 2007 OIG report on the FBI's use of National Security Letters (NSL). Our review will evaluate how the FBI's Program: (1) identifies risks of non-compliance with both the letter and spirit of applicable laws, regulations, rules, and policies; (2) ranks identified risks; (3) analyzes highly ranked risks; (4) mitigates risks with adequate corrective actions; (5) monitors the implementation of the corrective actions to ensure that mitigation is effective; and (6) promotes a culture of integrity and ethical compliance throughout the FBI.

The FBI's Activities Under Section 702 of the *FISA Amendments Act of 2008*

Section 702 of the *FISA Amendments Act of 2008* (Act) authorizes targeting non-U.S. persons reasonably believed to be outside the United States to acquire foreign intelligence information. As required by the Act, the OIG is examining the number of disseminated FBI intelligence reports containing a reference to a U.S. person identity, the number of U.S. person identities subsequently disseminated in response to requests for identities not referred to by name or title in the original reporting, the number of targets later determined to be located in the United States, and whether communications of such targets were reviewed. In addition, the OIG is examining the FBI's compliance with the targeting and minimization procedures required under the Act.

The FBI's Use of National Security Letters and Section 215 Orders from 2007 through 2009

The OIG is again examining the FBI's use of NSLs and Section 215 orders for business records. Among other issues, our review is assessing the FBI's progress in responding to the recommendations in prior OIG reports that examined the FBI's use of these authorities. In addition, the review is examining the FBI's use of its pen register and its trap and trace authority under the Act.

Investigations of Misconduct

The OIG conducts investigations of criminal and administrative misconduct throughout the Department, including in the FBI. Examples of recent investigations in the FBI include:

- A joint investigation by the DOJ OIG, the Office of Personnel Management's OIG, and the FBI resulted in the arrest of three FBI special agents and one intelligence analyst on charges of making false statements on U.S. government documents in an effort to conceal their use of anabolic steroids and HGH. The arrests stem from statements made on medical forms used to assess the employees' continuing fitness for duty. According to the arrest affidavits, the four FBI employees received numerous prescriptions for anabolic steroids and HGH after meeting with doctors and receiving false diagnoses for medical conditions such as pituitary dwarfism. The four are accused of failing to disclose the treatment or prescriptions on medical history forms they must file with the FBI, which are used to assess their fitness for duty. All have been placed on suspension without pay. Judicial proceedings continue.

- An investigation by the OIG led to the arrest and guilty plea of an FBI management support specialist in the Eastern District of Virginia for possession of child pornography. The investigation found that the management support specialist used the FBI's computer network to facilitate sexually explicit e-mail communications with parties identifying themselves as minors. In addition, the investigation determined that the management support specialist possessed on his home computer between 10 and 20 images depicting minor victims engaged in sexually explicit conduct. The management support specialist was sentenced to 46 months of incarceration, followed by 15 years of supervised release, with sex offender monitoring and conditions.
- An investigation by the OIG resulted in the arrest of an FBI special agent on charges of wire fraud, bank fraud, and bankruptcy fraud charges. The investigation developed evidence that from May to July 2006 the special agent provided false information to obtain 15 mortgage loans from SunTrust Mortgage. In his mortgage applications, the special agent falsely claimed that he was employed by DOJ Productions, an alleged music company, and earned \$42,350 a month from that company. Additionally, the special agent secured a home equity line of credit based on a claim that he was the President of Judah Music and earned \$500,000 a year. The FBI special agent filed for bankruptcy in July 2009, and he failed to include properties he owned or transferred on the bankruptcy application. The agent was convicted of the fraud charges by a jury, and sentencing is pending.
- An investigation by the OIG, along with U.S. Immigration and Customs Enforcement, resulted in the arrest and guilty plea of an FBI special agent in the Northern District of Texas to charges of unlawful employment of aliens. The investigation revealed that the special agent had owned and operated a Schlotzsky's Deli sandwich franchise for 12 years and employed a family of illegal aliens. The FBI special agent admitted to changing several employees' social security numbers in an effort to avoid detection that they were in the country illegally. In December 2010, the employee was sentenced to 2 years' probation and fined \$18,000.
- An investigation by the OIG led to the arrest and guilty plea of an FBI special agent for illegally accessing information from a government computer system. The investigation determined that the special agent obtained information from the FBI's databases to assist a friend in the collection of an unpaid debt. The special agent was sentenced in the Central District of California to serve 3 months in home confinement, complete 100 hours of community service, and pay a fine of \$3,000. The special agent resigned from the FBI as a condition of his guilty plea.
- An investigation by the OIG resulted in the arrest of an FBI evidence control technician, assigned to the FBI Indianapolis Division, pursuant to an indictment returned in the Northern District of Indiana charging her with embezzlement, false statements, and witness tampering. The investigation determined that over a 3-year period, the evidence control technician embezzled more than \$30,000 in cash that the FBI had stored in evidence, and that she created false documents to cover up her theft. In addition, she attempted to persuade a witness via telephone to provide false information to the OIG regarding more than \$80,000 in cash deposits to her bank account. The evidence control technician was terminated from her position during the OIG investigation. Judicial proceedings continue.

- An investigation by the OIG resulted in the arrest of an FBI special agent in the Western District of Texas on charges of dealing firearms without a license, maintaining false firearms records, and making a false statement. The investigation revealed that the FBI special agent, who was not a licensed firearms dealer, bought and sold firearms from January 2005 until May 2008. The FBI special agent was convicted by a jury of one count of dealing firearms without a license, four counts of causing a firearms dealer to maintain false records, and one count of making a false statement to federal authorities. He was sentenced to two years' incarceration, followed by three years of supervised release, and was ordered to perform 250 hours of community service.

DRUG ENFORCEMENT ADMINISTRATION (DEA)

- ◆ The reviews under this heading involve the DEA and its employees, who enforce the controlled substances laws and regulations of the United States.

REPORTS ISSUED

[The DEA's El Paso Intelligence Center \(EPIC\), June 2010](#)

The OIG examined the work of EPIC, a DEA-run, multi-agency center that provides federal, state, and local law enforcement agencies with intelligence on drug smuggling and other criminal activities, primarily along the Southwest border. Our review found that EPIC's partner agencies and users regard its products and services as valuable and useful, but we identified weaknesses in EPIC operations and programs. For example, EPIC does not analyze some information that it alone collects. As a result, EPIC may be overlooking drug trafficking trends and patterns that could assist law enforcement agencies in their interdiction investigations and operations. Our report made 11 recommendations to improve EPIC's utility to the law enforcement and intelligence communities. The DEA and the Department stated that they concurred with our recommendations and have begun implementing corrective actions.

[The DEA's Clandestine Drug Laboratory Cleanup Program, June 2010](#)

The OIG reviewed the DEA's Clandestine Laboratory Cleanup Program, which focuses on the removal and disposal of the chemicals and equipment that are used to manufacture illegal drugs such as methamphetamine. Our audit found that the cleanup program had significant problems, including missing documentation confirming that hazardous waste materials were removed from cleanup sites or disposed of properly. Although the DEA implemented new policies in 2008 designed to address the problems in its program, we concluded that there are additional steps the DEA should take to ensure that hazardous materials are accounted for and properly disposed of by its vendors, including the DEA ensuring that final manifests are submitted with vendor invoices and that invoices are not paid until a final manifest is received.

ONGOING WORK

DEA Resource Management

The OIG is examining the allocation and utilization of DEA personnel on narcotics-related investigations, as well as the number and types of drug investigations handled by the DEA.

Investigations of Misconduct

The following are examples of recent cases involving the DEA handled by the OIG's Investigations Division.

- An investigation by the OIG's New York Field Office and the DEA led to the arrest of a DEA special agent, assigned to the New York Field Division, on charges of possession of child pornography. The investigation determined that the special agent possessed images and videos of child pornography on his home computer hard drives. Judicial proceedings continue.
- An investigation by the OIG led to the arrest of a DEA task force member assigned to a High Intensity Drug Trafficking Area (HIDTA) task force on charges of violating the *Driver's Privacy Protection Act*, making false statements, altering and falsifying records in a federal investigation, and wire fraud resulting in the theft of honest services from the National Guard and the DEA. The task force member served as a criminal intelligence analyst for HIDTA, a position that provided him with access to computer databases containing sensitive case information. OIG investigators developed evidence that the task force member accessed state records regarding his ex-girlfriend to harass her and misused DEA subpoenas when he falsely implicated her in an active drug investigation. The DEA task force member pled guilty to all charges and was sentenced in the District of Massachusetts to 18 months' incarceration followed by 3 years of supervised release.

FEDERAL BUREAU OF PRISONS (BOP)

- ◆ The reviews in this section involve the BOP, whose mission is to confine offenders in facilities that are safe, humane, cost-efficient, and secure.

REPORTS ISSUED

[The BOP Furlough Program, September 2010](#)

This OIG report evaluated the BOP's furlough program, which allows BOP inmates authorized absences from institutions without an escort. Our review found that the BOP's furlough policy has not been updated since 1998 and does not, for example, require BOP staff to notify victims and witnesses when an inmate is released on a medical furlough. We determined that in 2003 the BOP drafted a new furlough policy, but the new policy was not implemented because the BOP believed it must negotiate these changes in the policy with the BOP union. While the BOP agreed with the recommendation in our report to issue a revised furlough policy, the BOP estimated that the negotiation and implementation of such a policy would not be finalized until December 2017. This delay translates into a 14-year time lag to implement improvements to its furlough policy that are essential for victims' rights. The OIG report included seven

recommendations to the BOP, including that the BOP develop a more effective mechanism for negotiating with the union on required policy changes. The BOP concurred with our recommendations, but we consider the audit unresolved because of the lengthy timeframe the BOP proposed for implementing them. Since issuance of the report, because of the impetus of the Deputy Attorney General's Office, the BOP negotiated changes in the BOP furlough policy with the union.

A Review of the Federal Prison Industries Electronic-Waste Recycling Program, October 2010

The OIG, with assistance from four other federal agencies with expertise in occupational health, safety, and environmental compliance, reviewed the operation of UNICOR's electronic-waste (e-waste) recycling operations after complaints arose about unsafe working conditions in UNICOR facilities. This OIG investigation identified significant safety and environmental problems with UNICOR's e-waste program. We found that when UNICOR began the program, it did not implement adequate measures to address the safety of staff and inmates who participated in the program. As a result, staff and inmates at several BOP institutions were exposed to levels of the toxic metals cadmium and lead that exceeded OSHA standards. The OIG's investigation determined that beginning in 2003, UNICOR took steps to improve the health, safety, and environmental compliance performance of the e-waste program. However, despite these steps, our investigation found that prior to 2009, UNICOR failed to timely institute adequate policies to protect staff and inmates from the hazards associated with e-waste recycling, to properly advise staff and inmates about hazards once they were identified and to correct them, and to conduct e-waste operations in compliance with applicable health, safety, and environmental regulations.

ONGOING WORK

The BOP's Hiring Process

The OIG is reviewing the BOP's hiring of correctional officers to evaluate how BOP may more effectively identify unsuitable applicants for these positions.

Investigations of Misconduct

The majority of OIG cases involving allegations of employee misconduct involve BOP employees. Recent trends have seen an increase in bribery allegations in connection with correctional officers being paid by inmates to introduce contraband inside BOP facilities, including cell phones, drugs, and tobacco. In addition, many OIG cases involve sexual abuse or sexual relations between staff members and inmates. Federal law criminalizes all sexual relations between prison staff and inmates, and consent is not a defense.

The following are a few examples of the many OIG investigations of misconduct arising from the BOP.

- An OIG investigation led to the conviction in April 2010 of a BOP inmate incarcerated at the Federal Correctional Complex (FCC Coleman) in Coleman, Florida, on charges of soliciting and attempting to murder a witness and an OIG special agent. The inmate, formerly a BOP correctional officer in Danbury, Connecticut, previously had been convicted and sentenced to

15 years' incarceration for sexual abuse of a female ward when he was a correctional officer and for plotting with a female inmate to murder his wife. Shortly after beginning his sentence in FCC Coleman, the former correctional officer solicited assistance from inmates to try to murder his estranged wife, her boyfriend, the female inmate from the previous investigation, and the OIG special agent who had investigated the original case. In an undercover OIG investigation, the former correctional officer provided an OIG undercover agent with physical descriptions of each target of his plot, their geographical locations, specific instructions as to how to commit the murders, and an initial payment for the murders of \$500 from his BOP inmate account. As a result, the former correctional officer was charged and convicted for this plot, and he was sentenced in July 2010 to 90 years' incarceration to run consecutive with his current 15-year sentence.

- An OIG investigation resulted in the arrest and guilty plea of a BOP correctional officer assigned to the U.S. Penitentiary in Pollock, Louisiana, on charges of bribery, possessing or providing contraband in prison, and possession with intent to distribute a controlled substance (cocaine). The investigation determined that the correctional officer smuggled contraband, including a cellular telephone, marijuana, tobacco, and prescription medications, into the U.S. Penitentiary, and that he received approximately \$20,000 in bribes from inmates and inmate family members for the contraband. The correctional officer was arrested following an undercover operation in which he accepted \$26,000, 7 ounces of cocaine, a handgun, and ammunition from an undercover agent in return for his agreement to smuggle contraband into the institution. The correctional officer was sentenced to 41 months' incarceration, followed by 36 months of supervised release.
- An investigation by the OIG resulted in the arrest of a BOP warden on charges of making false statements and disclosing confidential government information. According to the indictment, the warden made a false statement to OIG special agents when he denied making Internet postings that disclosed confidential government information concerning criminal investigations at the prison. In addition the warden disclosed confidential government information concerning a BOP employee who was suspected of being involved with an inmate gambling scheme and concerning a homicide that occurred at the prison in August 2009. The warden has been suspended without pay pending the outcome of the case. Judicial proceedings continue.

BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES (ATF)

- ◆ The reviews under this heading involve the ATF, which enforces federal laws on firearms, explosives, and arson and administers the U.S. Criminal Code provisions on alcohol and tobacco smuggling and diversion.

REPORTS ISSUED

Review of ATF's Project Gunrunner, November 2010

This OIG report found that despite ATF's increased activity associated with Project Gunrunner, major deficiencies exist in this initiative. For example, our review found that that ATF does not systematically and consistently exchange intelligence with its Mexican and some U.S. partner agencies and that intelligence personnel in ATF's Southwest border field divisions do not routinely share firearms trafficking intelligence with each other. We also found that ATF

focuses largely on inspections of gun dealers and investigations of straw purchasers, rather than on higher-level traffickers, smugglers, and the ultimate recipients of the trafficked guns. ATF also is not using intelligence effectively to identify and target firearms trafficking organizations operating along the Southwest Border and in Mexico. According to ATF's June 2007 Gunrunner strategy, tracing guns seized in Mexico is the "cornerstone" of Project Gunrunner. However, we found that despite ATF's efforts it has been unable to expand gun tracing throughout Mexico, and the majority of recovered guns in Mexico were not traced. We made 15 recommendations, and the ATF concurred with them.

ONGOING WORK

ATF's Federal Firearms Licensee Inspection Program

The OIG is reviewing ATF's federal firearms licensee inspection program. After an OIG review in 2004, ATF made a series of changes to the program and its administrative action process. Our review is assessing the changes made to the program, ATF's process for inspecting licensed firearms dealers, the process for referring suspected criminal violations, and how ATF institutes administrative actions on licensed dealers that violate federal firearms laws and regulations.

Investigations of Misconduct

The following are examples of recent cases involving ATF handled by the OIG's Investigations Division.

- An investigation by the OIG and the FBI resulted in the arrest of an ATF special agent pursuant to an indictment charging him with conspiracy to distribute methamphetamine, cocaine, and marijuana; possessing methamphetamine with intent to distribute; possessing a firearm during a drug trafficking offense; and money laundering. The investigation revealed that the special agent and several Tulsa police officers engaged in criminal activities in which they planted drug evidence on suspects, stole drugs and money from suspects, coerced individuals to distribute stolen drugs, split the proceeds from their illegal activities, and testified falsely in court. The ATF special agent pled guilty to conspiring to distribute methamphetamine and awaits sentencing.
- An investigation by the OIG, the U.S. Department of State's Bureau of Diplomatic Security, and ATF's Internal Affairs Division led to the arrest and guilty plea of an ATF special agent for making false statements in connection with a series of fraudulent visa referrals. The investigation revealed that the special agent, while serving as an ATF Assistant Country Attaché at the U.S. Embassy in Mexico City, fraudulently referred several Mexican nationals to an ATF program that expedited visa processing for persons whose travel to the United States would advance the national interest of the United States. The special agent was sentenced in the U.S. District Court for the District of Columbia to two years' probation and fined \$1,000, and he retired from the ATF as a result of this investigation.

UNITED STATES MARSHALS SERVICE (USMS)

- ◆ The reviews in this section involve the USMS, which is responsible for protecting members of the federal judiciary, arresting fugitives, protecting federal witnesses, transporting federal prisoners, and managing assets seized from criminal enterprises.

REPORTS ISSUED

USMS Judicial Facilities Security Program, November 2010

This OIG audit identified weaknesses in the USMS's efforts to provide security at federal court facilities and in the USMS's oversight of the Court Security Office (CSO) program and security systems contracts. For example, our audit found that not all CSOs have been fully trained on the use of security screening equipment and that some offices failed to conduct required quarterly testing of security procedures. We also found inconsistent reporting by USMS district offices on security incidents and arrests at federal court facilities, and little analysis being conducted by USMS headquarters on the data it received from the district offices. The audit also determined that the USMS awarded a contract worth about \$300 million to a CSO contractor with a history of fraudulent activities, despite an earlier fraud alert issued by the OIG. After receiving the USMS contract, the contractor ultimately filed for bankruptcy, leaving many CSOs temporarily without compensation for their services. We made 15 recommendations, and the USMS agreed to implement all of them.

ONGOING WORK

The USMS's Administration of Seized and Forfeited Complex Assets

The USMS's Complex Assets Unit administers complex financial assets seized by the Department that involve special business or financial issues, which may include large companies, rental properties, and stock and bond portfolios. This OIG audit is assessing the USMS's oversight of seized and forfeited complex assets.

Investigations of Misconduct

The following are examples of recent cases involving the USMS handled by the OIG's Investigations Division.

- A joint investigation by the OIG and the FBI resulted in the arrest of a USMS analyst on charges of bankruptcy fraud, wire fraud, bank fraud, and illegally obtaining information from a government computer. The investigation determined that the analyst misused a USMS computer to access information from the FBI's NCIC database to assist her husband's gang-related criminal activities. The allegation arose in connection with the FBI's investigation of the gang activities of the analyst's husband, who was also arrested and charged. The analyst is on administrative leave from the USMS.
- An investigation by the OIG resulted in the arrests of four USMS contract correctional officers in the Eastern District of New York on charges of use of excessive force, obstructing

justice and other related charges. The OIG investigation revealed that an inmate at the Queens Private Detention Facility, a USMS contract facility, was assaulted after he purportedly made a derogatory remark to one of the correctional officers. The assault was brought to the attention of correctional facility authorities after inmates in the victim's dormitory demanded that he receive medical treatment, and the officers conspired to cover up the assault. The officers were convicted by a jury of use of excessive force and obstruction of justice charges and received sentences ranging from one year incarceration to three years probation.

OFFICE OF JUSTICE PROGRAMS (OJP)

- ◆ The reviews under this heading involve the OJP, which manages the majority of the Department's grant programs and is responsible for developing initiatives to address crime at the state and local level.

REPORTS ISSUED

[OJP Recovery Act and Non-Recovery Act Programs for Edward Byrne Memorial Justice Assistance Grants and Byrne Competitive Grants, December 2009](#)

The OIG issued an audit report examining the Department's administration of the Edward Byrne Memorial Grant Program (Byrne Program), which provides grants to states, tribes, and local governments to support a broad range of law enforcement activities. Our audit found that, despite the large workload increase generated by the American Recovery and Reinvestment Act of 2009 (Recovery Act), OJP generally managed the \$2 billion in Recovery Act funds for the Byrne Program in accordance with guidelines and established grant management practices. We found that OJP made the formula awards to states, territories, and local governments in a prompt and reasonable manner, and that it acted quickly to develop the solicitations for competitive awards, set reasonable deadlines for submitting applications, timely reviewed applications against solicitation requirements, and promptly made awards. However, we found some grantees who had received Byrne Recovery Act funds had submitted application packages missing complete program narratives, project abstracts, and budget documents, but still received awards. In addition, our individual audits of 12 Byrne grantees also found deficiencies in the grantees' use of grant awards in the areas of internal control environment, grant expenditures, property management, monitoring of subrecipients, reporting, and program performance.

Audits of OJP Grants to State and Local Entities

The OIG conducts audits of grants awarded by OJP to ensure that the funds are used in accord with the grant requirements. Examples of findings from several recent audits included the following:

- The OIG audited 10 Community Capacity Development Office Weed and Seed grants and 2 Bureau of Justice Assistance grants totaling over \$5 million awarded to Oklahoma City, Oklahoma. The purpose of the Weed and Seed grants was to establish and sustain a community-based strategy to prevent, control, and reduce violent crime, drug abuse, and gang activity in designated high-crime neighborhoods within Oklahoma City. Our audit questioned over \$300,000 in grant funds and identified several internal control deficiencies, including instances where:

(1) drawdowns exceeded expenditures and in some cases were drawn months after the 90-day grant closeout period; (2) financial status reports were filed late or were inaccurate; (3) accountable property control records were inadequate; and (4) a city employee opened a bank account in the name of Oklahoma City and improperly gave himself exclusive signatory authority.

- An OIG audit examined the funding provided to Los Angeles County, California, under the Southwest Border Prosecution Initiative (SWBPI). SWBPI is a program in which the Department provides reimbursement to the four Southwest border states and local jurisdictions for prosecution and pre-trial detention costs in federally-initiated cases that are declined by U.S. Attorneys' Offices. The OIG audit examined over \$22 million in SWBPI reimbursements received by Los Angeles County from FY 2002 through FY 2008 and found that Los Angeles County claimed and was reimbursed for cases that were ineligible under the SWBPI guidelines. Specifically, the audit identified questioned costs totaling over \$2.2 million for more than 500 cases that did not meet SWBPI's guidelines for reimbursement. Our report made seven recommendations to OJP related to remedying the questioned costs received by Los Angeles County. OJP agreed with each of our recommendations.

Investigations of Misconduct

- The OIG also investigates criminal misuse of grant funds. Examples of recent criminal cases against grantees as a result of OIG investigations include:
- The former executive director of the National Training and Information Center (NTIC), a non-profit corporation in Chicago, Illinois, was debarred by the JMD, effective June 6, 2010, for a period of three years. By this action, the former executive director is precluded from soliciting or receiving contracts or subcontracts from the federal government, or conducting business with the federal government as an agent or representative of a contractor. The debarment was based on an audit by the OIG's Chicago Regional Audit Office, which uncovered significant irregularities related to a \$3 million DOJ grant to NTIC overseen by the executive director, and an investigation by the OIG's Chicago Field Office, which resulted in his arrest and conviction for misuse of federal program funds. The executive director used the federal program funds to lobby Congress for more federal funds, a purpose which was expressly prohibited under the terms of the grant.
- A former Chief Financial Officer (CFO) for the National Children's Alliance was indicted and pled guilty to theft of Department grant funds and was sentenced to 12 months incarceration followed by 36 months of supervised release. In addition, she was ordered to pay \$27,000 in restitution. An investigation by the OIG determined that the former CFO stole over \$64,000 in Department grant funds from the National Children's Alliance, a non-profit organization that assists victims of child abuse.

EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS (EOUSA)

- ◆ The reviews in this section involve U.S. Attorneys and their staff, who serve as the federal government's principal criminal and civil litigators and conduct most of the trial work in which the United States is a party. Under the direction of the Attorney General, 94 U.S.

Attorneys are stationed throughout the United States, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

REPORTS ISSUED

Review of Official Travel by U.S. Attorneys that Exceeded the Federal Government Lodging Rates, November 2010

The OIG conducted a review of official travel by U.S. Attorneys that exceeded the federal government lodging rates. Our review determined that the large majority of U.S. Attorneys rarely or never sought reimbursement above the government rate for lodging. However, a relatively small number of U.S. Attorneys often sought reimbursement above the government rate. In particular, we identified five U.S. Attorneys who exhibited noteworthy patterns of improperly exceeding the government rate without sufficient justification. We also identified other troubling incidents of U.S. Attorneys seeking reimbursement for lodging above the government rate without justification. We concluded that, to some extent, deficiencies in Department travel policies contributed to the improper lodging reimbursements for U.S. Attorneys. U.S. Attorneys were permitted to authorize their own travel and approve their own travel expenses, which we believe contributed to some exceeding the government rate without adequate justification. Moreover, we found that internal controls within the Department provided ineffective oversight of U.S. Attorney travel. Yet, we concluded that any deficiencies in Department travel policies or internal controls did not excuse the problematic travel reimbursements described in the report. We made recommendations to JMD and EOUSA to revise DOJ travel policies in several respects, including clarifying who must authorize U.S. Attorney travel and strengthening the requirement to document justifications for exceeding the government rate. JMD and EOUSA submitted responses to our recommendations, which are currently under review in the OIG.

Investigations of Misconduct

The following is an example of a case that the OIG's Investigations Division handled during this reporting period:

- An investigation by the OIG's Denver Field Office led to the arrest of a District of Colorado USAO paralegal on charges of concealing and failing to report a felony. The investigation revealed that the paralegal laundered the proceeds from an associate's drug sales by depositing them into her own bank account and acted as the associate's banker, knowing that the banking transactions were designed to conceal the ownership and control of the drug proceeds. In addition, the paralegal failed to make known the commission of the drug-distribution crimes to police or federal law enforcement officials. The paralegal has resigned from the USAO. Judicial proceedings continue.

OFFICE OF COMMUNITY ORIENTED POLICING SERVICES (COPS)

- ◆ The reviews in this section relate to the COPS program, whose primary mission is to advance community policing in jurisdictions of all sizes across the country.

REPORTS ISSUED

[The Grantee Selection Process for the COPS Hiring Recovery Program, May 2010](#)

The OIG examined the COPS selection process for the COPS Hiring Recovery Program (CHRP), a \$1 billion Recovery Act grant program that provides grant funding to hire or rehire state, local, and tribal law enforcement officers. The OIG audit found that COPS developed the CHRP and selected the grantees who would receive grant funding in a timely and transparent manner, consistent with the requirements established in the Recovery Act. However, we identified some inaccuracies in the scoring formulas used by COPS to select grantees. These inaccuracies resulted in the allocation of grants to 45 entities that should not have received grants, while another 34 entities that should have received grants did not. In addition, we identified six grantees that received more officer positions than they should have, and six grantees that received fewer officer positions than they should have. In total, the inaccuracies we identified affected the allocation of approximately \$16 million in CHRP funds. In response to our audit, COPS stated it would correct the scoring formulas so that the correct formulas can be used in the future when making grant awards. In addition, COPS modified its FY 2010 hiring grant allocation process to ensure that those entities that were negatively affected due to scoring inaccuracies would receive appropriate grant funding.

COPS Grant Audits

The OIG audited various grants awarded by COPS to assess whether the costs reimbursed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant. The following is an example of findings from the OIG audits:

- The OIG audited a \$6 million COPS Technology Program grant awarded to the San Antonio, Texas, Police Department to support the development of integrated voice and data communication networks in the region that could handle over 1.5 million 911 calls annually. We identified weaknesses in the grantee's internal controls, such as the lack of separation-of-duties in instances where the same employee was requesting and approving purchases for technology equipment, misclassification of expenses in the grantee's official accounting records, and timeliness of submitting progress reports. In addition, one of the San Antonio Police Department's grant-funded employees did not function in the capacity approved by COPS in the San Antonio Police Department's grant application.

Investigations of Misconduct

The following are examples of recent cases handled by the OIG's Investigations Division that involved a COPS grantee:

- An investigation by the OIG, the FBI, and the Internal Revenue Service Criminal Investigation Division resulted in the debarment of a former President of the San Juan Southern Paiute Tribe in Tuba City, Arizona, by the Department, effective September 21, 2010, for a period of three years. By this action, the former tribal president is precluded from soliciting or receiving contracts or subcontracts from the federal government or conducting business with the federal government as an agent or representative of a contractor. The investigation discovered evidence that the former tribal president had obtained a COPS grant totaling \$224,997 from the Department to hire three police officers. However, she failed to hire the three police officers, and instead submitted a false record stating otherwise and then

converted \$174,000 of the federal funds for her own use. The former tribal president pled guilty to making false statements, theft from an Indian tribal government receiving federal funds, and money laundering. She was sentenced to 24 months' incarceration followed by 36 months of supervised release and fined \$75,000.

- An investigation by the OIG and the FBI led to an indictment charging that a purchasing agent for the Sheriff's Department in Pulaski County, Illinois, misapplied approximately \$71,000 of a COPS Methamphetamine Initiative grant of \$246,000 awarded to the Sheriff's Department, and made false statements to the OIG in claiming that he had \$90,000 in a personal trust account which he could use to replace missing grant money when, in actuality, his account contained less than \$50. He pled guilty to charges of misapplication of federal grant funds and making false statements, and was sentenced to 12 months' plus one day of incarceration, 36 months' supervised release, and fined \$1,000.

ONGOING WORK IN OTHER DEPARTMENT COMPONENTS

Civil Rights Division - Enforcement of Civil Rights Laws by the Voting Section

The OIG is reviewing the enforcement of civil rights laws by the Voting Section of the Department's Civil Rights Division. The review is examining the types of cases brought by the Voting Section and any changes in the types of cases over time; any changes in Voting Section enforcement policies or procedures over time; whether the Voting Section has enforced the civil rights laws in a non-discriminatory manner; and whether any Voting Section employees have been harassed for participating in the investigation or prosecution of particular matters.

Criminal Division - The Office of Prosecutorial Development Assistance and Training (OPDAT) and Criminal Investigative Training Program

The Criminal Division's OPDAT and Criminal Investigative Training Assistance Program provide training and technical assistance to foreign countries' prosecutors, judicial personnel, and law enforcement personnel. Our audit is reviewing the programs' controls and practices relating to funding, training, security, personnel, property, and program results, as well as the programs' coordination with other U.S. agencies and foreign components.

Executive Office for Immigration Review (EOIR) - Administration of Immigration Courts

The OIG is examining EOIR's administration of the immigration court system.

Office of the Pardon Attorney - Processing of Clemency Petitions

The OIG is examining the Office of the Pardon Attorney procedures for processing clemency petitions.